



HEALTH ANNUAL STATEMENT
FOR THE YEAR ENDING DECEMBER 31, 2003
OF THE CONDITION AND AFFAIRS OF THE

Upper Peninsula Health Plan, Inc.

NAIC Group Code	0000 <small>(Current Period)</small>	0000 <small>(Prior Period)</small>	NAIC Company Code	52615	Employer's ID Number	38-3379956
Organized under the Laws of	Michigan			State of Domicile or Port of Entry	Michigan	
Country of Domicile	United States of America					
Licensed as business type:	Life, Accident & Health []		Property/Casualty []		Dental Service Corporation []	
	Vision Service Corporation []		Other []		Health Maintenance Organization []	
	Hospital, Medical & Dental Service or Indemnity []		Is HMO, Federally Qualified? Yes [] No [X]			
Incorporated	10/14/1997		Commenced Business	08/01/1998		
Statutory Home Office	228 W. Washington St. <small>(Street and Number)</small>			Marquette, MI 49855 <small>(City or Town, State and Zip Code)</small>		
Main Administrative Office	228 W. Washington St. <small>(Street and Number)</small>					
	Marquette, MI 49855 <small>(City or Town, State and Zip Code)</small>		906-225-7500 <small>(Area Code) (Telephone Number)</small>			
Mail Address	228 W. Washington St. <small>(Street and Number or P.O. Box)</small>			Marquette, MI 49855 <small>(City or Town, State and Zip Code)</small>		
Primary Location of Books and Records	228 W. Washington St. <small>(Street and Number)</small>					
	Marquette, MI 49855 <small>(City or Town, State and Zip Code)</small>		906-225-7491 <small>(Area Code) (Telephone Number)</small>			
Internet Website Address	www.uphp.com					
Statutory Statement Contact	Patrick N. Thomson CPA <small>(Name)</small>			906-225-7491 <small>(Area Code) (Telephone Number) (Extension)</small>		
	pthomson@uphp.com <small>(E-mail Address)</small>			906-225-7690 <small>(FAX Number)</small>		
Policyowner Relations Contact	228 W. Washington St. <small>(Street and Number)</small>					
	Marquette, MI 49855 <small>(City or Town, State and Zip Code)</small>		906-225-7500 <small>(Area Code) (Telephone Number) (Extension)</small>			

OFFICERS

President	Dennis H. Smith CEO	Secretary	John Weiss MD
Treasurer	John Schon		

VICE PRESIDENTS

DIRECTORS OR TRUSTEES

Mr. John Schon	Mr. James Bogan	Mr. Robert Vairo
Mr. John Chartier	Mr. William Nemacheck	Kirk Lufkin MD
Catherine Kroll OD	Ms. Michelle Tavernier	Satish Chawla MD
Ms. Connie Lekander	Richard Bruner DO	Mark Callaghan MD
Mr. Wayne Hellerstedt	Mr. David Jahn	John Weiss MD
Mr. Eric Jurgensen		

State ofMichigan.....

County ofMarquette.....

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The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively.

Dennis H. Smith
President
(CEO)

John Weiss, MD
Secretary
()

Greg A. Gustafson
Treasurer
(CFO)

Subscribed and sworn to before me this

27

day of

February , 2003

Tanya M. Jennings

October 11, 2007

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D).....	45,257		45,257	514,447
2. Stocks (Schedule D):				
2.1 Preferred stocks	0		0	0
2.2 Common stocks	0		0	0
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances).....			0	0
4.2 Properties held for the production of income (less \$ encumbrances)			0	0
4.3 Properties held for sale (less \$ encumbrances)			0	0
5. Cash (\$8,577,476 , Schedule E, Part 1), cash equivalents (\$954,479 , Schedule E, Part 2) and short -term investments (\$0 , Schedule DA).....	9,531,955		9,531,955	5,235,192
6. Contract loans, (including \$premium notes)			0	0
7. Other invested assets (Schedule BA)	0	0	0	0
8. Receivable for securities			0	0
9. Aggregate write-ins for invested assets	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9)	9,577,212	0	9,577,212	5,749,639
11. Investment income due and accrued	6,522		6,522	7,158
12. Premiums and considerations:				
12.1 Uncollected premiums and agents' balances in the course of collection			0	204,782
12.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$earned but unbilled premium).....			0	0
12.3 Accrued retrospective premium.....			0	0
13. Reinsurance ceded:				
13.1 Amounts recoverable from reinsurers			0	0
13.2 Funds held by or deposited with reinsured companies			0	0
13.3 Other amounts receivable under reinsurance contracts			0	0
14. Amounts receivable relating to uninsured plans			0	0
15.1 Current federal and foreign income tax recoverable and interest thereon			0	260,000
15.2 Net deferred tax asset.....			0	0
16. Guaranty funds receivable or on deposit			0	0
17. Electronic data processing equipment and software.....	28,866	2,294	26,572	58,381
18. Furniture and equipment, including health care delivery assets (\$)	85,346	12,802	72,544	51,562
19. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
20. Receivables from parent, subsidiaries and affiliates			0	0
21. Health care (\$) and other amounts receivable.....	2,001,935		2,001,935	2,251,694
22. Other assets nonadmitted			0	0
23. Aggregate write-ins for other than invested assets	0	0	0	0
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23).....	11,699,881	15,096	11,684,785	8,583,216
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	0
26. Total (Lines 24 and 25)	11,699,881	15,096	11,684,785	8,583,216
DETAILS OF WRITE-INS				
0901.				
0902.				
0903.				
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998)(Line 9 above)	0	0	0	0
2301.				
2302.				
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398)(Line 23 above)	0	0	0	0

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ reinsurance ceded)	5,900,000		5,900,000	5,429,000
2. Accrued medical incentive pool and bonus amounts			0	0
3. Unpaid claims adjustment expenses			0	0
4. Aggregate health policy reserves			0	0
5. Aggregate life policy reserves			0	
6. Property/casualty unearned premium reserves			0	
7. Aggregate health claim reserves			0	0
8. Premiums received in advance			0	0
9. General expenses due or accrued	950,495		950,495	146,929
10.1 Current federal and foreign income tax payable and interest thereon (including \$ on realized capital gains (losses))	527,020		527,020	
10.2 Net deferred tax liability			0	
11. Ceded reinsurance premiums payable			0	
12. Amounts withheld or retained for the account of others			0	0
13. Remittance and items not allocated			0	
14. Borrowed money (including \$ current) and interest thereon \$ (including \$ current)			0	0
15. Amounts due to parent, subsidiaries and affiliates			0	0
16. Payable for securities			0	0
17. Funds held under reinsurance treaties with (\$ authorized reinsurers and \$ unauthorized reinsurers)			0	0
18. Reinsurance in unauthorized companies			0	0
19. Net adjustments in assets and liabilities due to foreign exchange rates			0	0
20. Liability for amounts held under uninsured accident and health plans			0	0
21. Aggregate write-ins for other liabilities (including \$ current)	0	0	0	0
22. Total liabilities (Lines 1 to 21)	7,377,515	0	7,377,515	5,575,929
23. Common capital stock	XXX	XXX	3,261,670	2,761,670
24. Preferred capital stock	XXX	XXX		0
25. Gross paid in and contributed surplus	XXX	XXX		0
26. Surplus notes	XXX	XXX		0
27. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
28. Unassigned funds (surplus)	XXX	XXX	1,045,600	245,617
29. Less treasury stock, at cost:				
29.1 shares common (value included in Line 23 \$)	XXX	XXX		0
29.2 shares preferred (value included in Line 24 \$)	XXX	XXX		0
30. Total capital and surplus (Lines 23 to 28 Less 29)	XXX	XXX	4,307,270	3,007,287
31. Total liabilities, capital and surplus (Lines 22 and 30)	XXX	XXX	11,684,785	8,583,216
DETAILS OF WRITE-INS				
2101.				
2102.				
2103.				
2198. Summary of remaining write-ins for Line 21 from overflow page	0	0	0	0
2199. Totals (Lines 2101 thru 2103 plus 2198) (Line 21 above)	0	0	0	0
2701.	XXX	XXX		
2702.	XXX	XXX		
2703.	XXX	XXX		
2798. Summary of remaining write-ins for Line 27 from overflow page	XXX	XXX	0	0
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX	311,820	230,768
2. Net premium income (including non-health premium income).....	XXX	46,490,976	32,420,752
3. Change in unearned premium reserves and reserve for rate credits	XXX		0
4. Fee-for-service (net of \$ medical expenses)	XXX		0
5. Risk revenue	XXX		0
6. Aggregate write-ins for other health care related revenues	XXX	0	0
7. Aggregate write-ins for other non-health revenues	XXX	0	0
8. Total revenues (Lines 2 to 7)	XXX	46,490,976	32,420,752
Hospital and Medical:			
9. Hospital/medical benefits		22,297,725	16,631,723
10. Other professional services		4,094,817	3,030,233
11. Outside referrals			0
12. Emergency room and out-of-area		1,654,627	1,231,144
13. Prescription drugs		11,561,109	8,751,206
14. Aggregate write-ins for other hospital and medical.....	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts.....			0
16. Subtotal (Lines 9 to 15)	0	39,608,278	29,644,306
Less:			
17. Net reinsurance recoveries			0
18. Total hospital and medical (Lines 16 minus 17)	0	39,608,278	29,644,306
19. Non-health claims			
20. Claims adjustment expenses	0	2,409,770	1,632,089
21. General administrative expenses.....		3,209,934	1,138,081
22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only).....		0	0
23. Total underwriting deductions (Lines 18 through 22)	0	45,227,982	32,414,476
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	1,262,994	6,276
25. Net investment income earned		78,827	97,234
26. Net realized capital gains or (losses)			0
27. Net investment gains or (losses) (Lines 25 plus 26)	0	78,827	97,234
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$) (amount charged off \$)]			0
29. Aggregate write-ins for other income or expenses	0	0	0
30. Net income or (loss) before federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	1,341,821	103,510
31. Federal and foreign income taxes incurred	XXX	527,020	77,730
32. Net income (loss) (Lines 30 minus 31)	XXX	814,801	25,780
DETAILS OF WRITE-INS			
0601.	XXX		
0602.	XXX		
0603.	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	XXX	0	0
0701.	XXX		
0702.	XXX		
0703.	XXX		
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0
0799. Totals (Lines 0701 thru 0703 plus 0798) (Line 7 above)	XXX	0	0
1401.			
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above)	0	0	0
2901.			
2902.			
2903.			
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above)	0	0	0

CAPITAL AND SURPLUS ACCOUNT

	1 Current Year	2 Prior Year
CAPITAL AND SURPLUS ACCOUNT:		
33. Capital and surplus prior reporting period	3,007,287	2,076,831
GAINS AND LOSSES TO CAPITAL & SURPLUS:		
34. Net income or (loss) from Line 32	814,801	25,780
35. Change in valuation basis of aggregate policy and claim reserves		0
36. Net unrealized capital gains and losses		0
37. Change in net unrealized foreign exchange capital gain or (loss)		0
38. Change in net deferred income tax		0
39. Change in nonadmitted assets	(10,658)	2,676
40. Change in unauthorized reinsurance	0	0
41. Change in treasury stock	0	0
42. Change in surplus notes	0	0
43. Cumulative effect of changes in accounting principles	(4,438)	0
44. Capital Changes:		
44.1 Paid in	500,000	902,000
44.2 Transferred from surplus (Stock Dividend)		0
44.3 Transferred to surplus		0
45. Surplus adjustments:		
45.1 Paid in		0
45.2 Transferred to capital (Stock Dividend)	0	0
45.3 Transferred from capital		0
46. Dividends to stockholders		0
47. Aggregate write-ins for gains or (losses) in surplus	278	0
48. Net change in capital & surplus (Lines 34 to 47)	1,299,983	930,456
49. Capital and surplus end of reporting period (Line 33 plus 48)	4,307,270	3,007,287
DETAILS OF WRITE-INS		
4701. Bond Amortized Cost Adjustment.....	278	0
4702.		
4703.		
4798. Summary of remaining write-ins for Line 47 from overflow page	0	0
4799. Totals (Lines 4701 thru 4703 plus 4798) (Line 47 above)	278	0

CASH FLOW

	1 Current Year To Date	2 Prior Year Ended December 31
Cash from Operations		
1. Premiums collected net of reinsurance.....	46,955,758	32,420,752
2. Net investment income	79,502	102,505
3. Miscellaneous income	0	0
4. Total (Lines 1 to 3)	47,035,260	32,523,257
5. Benefits and loss related payments	38,887,519	33,524,216
6. Net transfers to Separate, Segregated Accounts and Protected Cell Accounts.....		0
7. Commissions, expenses paid and aggregate write-ins for deductions	4,816,138	0
8. Dividends paid to policyholders		0
9. Federal and foreign income taxes paid (recovered) \$ net tax on capital gains (losses)	0	77,730
10. Total (Lines 5 through 9)	43,703,657	33,601,946
11. Net cash from operations (Line 4 minus Line 10)	3,331,603	(1,078,689)
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	470,000	0
12.2 Stocks	0	0
12.3 Mortgage loans	0	0
12.4 Real estate	0	0
12.5 Other invested assets	0	0
12.6 Net gains or (losses) on cash and short-term investments	0	0
12.7 Miscellaneous proceeds	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	470,000	0
13. Cost of investments acquired (long-term only):		
13.1 Bonds	0	0
13.2 Stocks	0	0
13.3 Mortgage loans	0	0
13.4 Real estate	0	0
13.5 Other invested assets	0	0
13.6 Miscellaneous applications	91	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	91	0
14. Net increase (or decrease) in policy loans and premium notes	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	469,909	0
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes	0	902,000
16.2 Capital and paid in surplus, less treasury stock.....	500,000	0
16.3 Borrowed funds received.....	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities		0
16.5 Dividends to stockholders	0	0
16.6 Other cash provided (applied).....	(4,749)	484,639
17. Net cash from financing and miscellaneous sources (Line 16.1 to Line 16.4 minus Line 16.5 plus Line 16.6)	495,251	1,386,639
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
18. Net change in cash and short-term investments (Line 11 plus Line 15 plus Line 17)	4,296,763	307,950
19. Cash and short-term investments:		
19.1 Beginning of year	5,235,192	4,927,242
19.2 End of period (Line 18 plus Line 19.1).....	9,531,955	5,235,192

ANNUAL STATEMENT FOR THE YEAR 2003 OF THE Upper Peninsula Health Plan, Inc.

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS (Gain and Loss Exhibit)

	1	2	3	4	5	6	7	8	9	10	11	12	13
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-term Care	Other Health	Other Non-Health
1. Net premium income	46,490,976							46,214,978				275,998	
2. Change in unearned premium reserves and reserve for rate credit	0												
3. Fee-for-service (net of \$ medical expenses)	0												XXX
4. Risk revenue	0												XXX
5. Aggregate write-ins for other health care related revenues	0	0	0	0	0	0	0	0	0	0	0	0	XXX
6. Aggregate write-ins for other non-health care related revenues	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
7. Total revenues (Lines 1 to 6)	46,490,976	0	0	0	0	0	0	46,214,978	0	0	0	275,998	0
8. Hospital/medical/ benefits	22,297,725							22,201,463				96,262	XXX
9. Other professional services	4,094,817							4,077,139				17,678	XXX
10. Outside referrals	0							0					XXX
11. Emergency room and out-of-area	1,654,627							1,647,484				7,143	XXX
12. Prescription Drugs	11,561,109							11,474,392				86,717	XXX
13. Aggregate write-ins for other hospital and medical	0	0	0	0	0	0	0	0	0	0	0	0	XXX
14. Incentive pool, withhold adjustments and bonus amounts	0												XXX
15. Subtotal (Lines 8 to 14)	39,608,278	0	0	0	0	0	0	39,400,478	0	0	0	207,800	XXX
16. Net reinsurance recoveries	0												XXX
17. Total medical and hospital (Lines 15 minus 16)	39,608,278	0	0	0	0	0	0	39,400,478	0	0	0	207,800	XXX
18. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19. Claims adjustment expenses	2,409,770							2,395,464				14,306	
20. General administrative expenses	3,209,934							3,190,878				19,056	
21. Increase in reserves for accident and health contracts	0												XXX
22. Increase in reserves for life contracts	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Lines 17 to 22)	45,227,982	0	0	0	0	0	0	44,986,820	0	0	0	241,162	0
24. Total underwriting gain or (loss) (Line 7 minus Line 23)	1,262,994	0	0	0	0	0	0	1,228,158	0	0	0	34,836	0
DETAILS OF WRITE-INS													
0501.													XXX
0502.													XXX
0503.													XXX
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0	0	0	0	XXX
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0	0	0	0	XXX
0601.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
1301.													XXX
1302.													XXX
1303.													XXX
1398. Summary of remaining write-ins for Line 13 from overflow page	0	0	0	0	0	0	0	0	0	0	0	0	XXX
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0	0	0	0	0	0	0	0	XXX

UNDERWRITING AND INVESTMENT EXHIBIT
PART 1 - PREMIUMS

	1	2	3	4
Line of Business	Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Cols. 1+2-3)
1. Comprehensive (hospital and medical)0
2. Medicare Supplement0
3. Dental Only.....				.0
4. Vision Only.....				.0
5. Federal Employees Health Benefits Plan0
6. Title XVIII - Medicare0
7. Title XIX - Medicaid.....	46,568,647		353,669	46,214,978
8. Stop Loss0
9. Disability Income0
10. Long-term care0
11. Other health.....	278,111		2,113	275,998
12. Health subtotal (Lines 1 through 11)	46,846,758	0	355,782	46,490,976
13. Life0
14. Property/Casualty.....				.0
15. Totals (Lines 12 to 14)	46,846,758	0	355,782	46,490,976

STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2003 OF THE Upper Peninsula Health Plan, Inc.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - Claims Incurred During the Year

	1	2	3	4	5	6	7	8	9	10	11	12	13
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-Term Care	Other Health	Other Non- Health
1. Payments during the year:													
1.1 Direct	39,137,278							39,016,981				120,297	
1.2 Reinsurance assumed	0												
1.3 Reinsurance ceded	0												
1.4 Net	39,137,278	0	0	0	0	0	0	39,016,981	0	0	0	120,297	0
2. Paid medical incentive pools and bonuses	0												
3. Claim liability December 31, current year from Part 2A:													
3.1 Direct	5,900,000	0	0	0	0	0	0	5,888,528	0	0	0	11,472	0
3.3 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0	0	0	0
3.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0	0	0	0
3.4 Net	5,900,000	0	0	0	0	0	0	5,888,528	0	0	0	11,472	0
4. Claim reserve December 31, current year from Part 2D:													
4.1 Direct	0												
4.2 Reinsurance assumed	0												
4.3 Reinsurance ceded	0												
4.4 Net	0	0	0	0	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year	0												
6. Amounts recoverable from reinsurers December 31, current year	0												
7. Claim liability December 31, prior year from Part 2A:													
7.1 Direct	5,429,000	0	0	0	0	0	0	5,402,480				26,520	
7.2 Reinsurance assumed	0	0	0	0	0	0	0	0					
7.3 Reinsurance ceded	0	0	0	0	0	0	0	0					
7.4 Net	5,429,000	0	0	0	0	0	0	5,402,480	0	0	0	26,520	0
8. Claim reserve December 31, prior year from Part 2D:													
8.1 Direct	0	0	0	0	0	0	0	0					
8.2 Reinsurance assumed	0	0	0	0	0	0	0	0					
8.3 Reinsurance ceded	0	0	0	0	0	0	0	0					
8.4 Net	0	0	0	0	0	0	0	0	0	0	0	0	0
9. Accrued medical incentive pools and bonuses, prior year	0	0	0	0	0	0	0	0					
10. Amounts recoverable from reinsurers December 31, prior year	0	0	0	0	0	0	0	0					
11. Incurred Benefits:													
11.1 Direct	39,608,278	0	0	0	0	0	0	39,503,029	0	0	0	105,249	0
11.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0	0	0	0
11.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0	0	0	0
11.4 Net	39,608,278	0	0	0	0	0	0	39,503,029	0	0	0	105,249	0
12. Incurred medical incentive pools and bonuses	0	0	0	0	0	0	0	0	0	0	0	0	0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - Claims Liability End of Current Year

	1	2	3	4	5	6	7	8	9	10	11	12	13
	Total	Comprehensive (Medical & Hospital)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan Premium	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-Term Care	Other Health	Other Non-Health
1. Reported in Process of Adjustment:													
1.1. Direct	757,158							757,158					
1.2. Reinsurance assumed	0												
1.3. Reinsurance ceded	0												
1.4. Net	757,158	0	0	0	0	0	0	757,158	0	0	0	0	0
2. Incurred but Unreported:													
2.1. Direct	5,142,842							5,131,370				11,472	
2.2. Reinsurance assumed	0												
2.3. Reinsurance ceded	0												
2.4. Net	5,142,842	0	0	0	0	0	0	5,131,370	0	0	0	11,472	0
3. Amounts Withheld from Paid Claims and Capitations:													
3.1. Direct	0												
3.2. Reinsurance assumed	0												
3.3. Reinsurance ceded	0												
3.4. Net	0	0	0	0	0	0	0	0	0	0	0	0	0
4. TOTALS:													
4.1. Direct	5,900,000	0	0	0	0	0	0	5,888,528	0	0	0	11,472	0
4.2. Reinsurance assumed	0	0	0	0	0	0	0	0	0	0	0	0	0
4.3. Reinsurance ceded	0	0	0	0	0	0	0	0	0	0	0	0	0
4.4. Net	5,900,000	0	0	0	0	0	0	5,888,528	0	0	0	11,472	0

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability Dec. 31 of Current Year		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical)00
2. Medicare Supplement00
3. Dental Only.....				00
4. Vision Only.....				00
5. Federal Employees Health Benefits Plan Premiums00
6. Title XVIII - Medicare00
7. Title XIX - Medicaid.....3,949,30435,067,6774,2555,884,2733,953,5595,402,480
8. Other health21,26499,033(125)11,59721,13926,520
9. Health subtotal (Lines 1 to 8).....3,970,56835,166,7104,1305,895,8703,974,6985,429,000
10. Other non-health.....				0	
11. Medical incentive pools, and bonus amounts00
12. Totals (Lines 9 to 11)	3,970,568	35,166,710	4,130	5,895,870	3,974,698	5,429,000

STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2003 OF THE Upper Peninsula Health Plan, Inc.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
(000 Omitted)

Section A - Paid Health Claims - Other

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 1999	2 2000	3 2001	4 2002	5 2003
1. Prior0	.0	.0	.0	
2. 1999.....	97	15	.0	.0	
3. 2000.....	XXX	.61	.17	.0	
4. 2001.....	XXX	XXX	.90	.20	
5. 2002.....	XXX	XXX	XXX	.92	.21
6. 2003.....	XXX	XXX	XXX	XXX	.99

Section B – Incurred Health Claims - Other

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
	1 1999	2 2000	3 2001	4 2002	5 2003
1. Prior0	.0	.0	.0	
2. 1999	37	15	.0	.0	
3. 2000	XXX	.82	.17	.0	
4. 2001	XXX	XXX	122	.20	
5. 2002	XXX	XXX	XXX	118	
6. 2003	XXX	XXX	XXX	XXX	132

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Other

[illegible]

STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2003 OF THE Upper Peninsula Health Plan, Inc.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(000 Omitted)

Section A - Paid Health Claims - Grand Total

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 1999	2 2000	3 2001	4 2002	5 2003
1. Prior	1,937	.51	.5	.0	.0
2. 1999	22,703	2,331	.0	.0	.0
3. 2000	XXX	22,285	3,960	.59	.0
4. 2001	XXX	XXX	20,567	4,394	.17
5. 2002	XXX	XXX	XXX	25,654	3,953
6. 2003	XXX	XXX	XXX	XXX	35,167

Section B - Incurred Health Claims - Grand Total

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
	1 1999	2 2000	3 2001	4 2002	5 2003
1. Prior	1,937	0	0	0	0
2. 1999	25,308	2,331	119	0	0
3. 2000	XXX	29,501	4,064	134	0
4. 2001	XXX	XXX	28,970	5,758	0
5. 2002	XXX	XXX	XXX	29,644	4,254
6. 2003	XXX	XXX	XXX	XXX	41,084

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Grand Total

[illegible]

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2D - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS ONLY

	1	2	3	4	5	6	7	8	9	10	11	12
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-Term Care	Other
POLICY RESERVE												
1. Unearned premium reserves												
2. Additional policy reserves (a)												
3. Reserve for future contingent benefits												
4. Reserve for rate credits or experience rating refunds (including \$ for investment income)												
5. Aggregate write-ins for other policy reserves												
6. Totals (Gross)												
7. Reinsurance ceded												
8. Totals (Net) (Page 3, Line 4)												
CLAIM RESERVE												
9. Present value of amounts not yet due on claims												
10. Reserve for future contingent benefits												
11. Aggregate write-ins for other claim reserves												
12. Totals (Gross)												
13. Reinsurance ceded												
14. Totals (Net) (Page 3, Line 7)												
DETAILS OF WRITE-INS												
0501.												
0502.												
0503.												
0598. Summary of remaining write-ins for Line 5 from overflow page												
0599. TOTALS (Lines 0501 thru 0503 plus 0598) (Line 5 above)												
1101.												
1102.												
1103.												
1198. Summary of remaining write-ins for Line 11 from overflow page												
1199. TOTALS (Lines 1101 thru 1103 plus 1198) (Line 11 above)												

(a) Includes \$ premium deficiency reserve.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 3 - ANALYSIS OF EXPENSES

	1 Claim Adjustment Expenses	2 General Administration Expenses	3 Investment Expenses	4 Total
1. Rent (\$ for occupancy of own building).....	90,343	39,781		130,124
2. Salaries, wages and other benefits.....	1,928,491	849,168		2,777,659
3. Commissions (less \$ ceded plus \$ assumed).....				.0
4. Legal fees and expenses.....	1,660	6,063		7,723
5. Certifications and accreditation fees.....		37,748		37,748
6. Auditing, actuarial and other consulting services.....	11,116	40,575		51,691
7. Traveling expenses.....	25,221	19,786		45,007
8. Marketing and advertising.....	11,102	12,880		23,982
9. Postage, express and telephone.....	50,809	53,081		103,890
10. Printing and office supplies.....	54,966	60,903		115,869
11. Occupancy, depreciation and amortization.....		.0		.0
12. Equipment.....	5,841	20,414		26,255
13. Cost or depreciation of EDP equipment and software.....	1,947	6,805		8,752
14. Outsourced services including EDP, claims, and other services.....	169,131	101,249		270,380
15. Boards, bureaus and association fees.....	9,278	30,579		39,857
16. Insurance, except on real estate.....	24,186	10,650		34,836
17. Collection and bank service charges.....	36	11,907		11,943
18. Group service and administration fees.....		.0		.0
19. Reimbursements by uninsured accident and health plans.....				.0
20. Reimbursements from fiscal intermediaries.....				.0
21. Real estate expenses.....				.0
22. Real estate taxes.....				.0
23. Taxes, licenses and fees:				
23.1 State and local insurance taxes.....	13,614	6,658		20,272
23.2 State premium taxes.....				.0
23.3 Regulatory authority licenses and fees.....		.0		.0
23.4 Payroll taxes.....				.0
23.5 Other (excluding federal income and real estate taxes).....				.0
24. Investment expenses not included elsewhere.....				.0
25. Aggregate write-ins for expenses.....	12,029	1,901,687	0	1,913,716
26. Total expenses incurred (Lines 1 to 25).....	2,409,770	3,209,934	.0 (a)	5,619,704
27. Less expenses unpaid December 31, current year.....		950,495		950,495
28. Add expenses unpaid December 31, prior year.....		146,929		146,929
29. Amounts receivable related to uninsured accident and health plans, prior year.....				.0
30. Amounts receivable related to uninsured accident and health plans, current year.....				.0
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	2,409,770	2,406,368	0	4,816,138
DETAIL OF WRITE-INS				
2501. Quality Assurance Assessment.....		1,894,527		1,894,527
2502. Miscellaneous Expenses.....	12,029	7,160		19,189
2503.0		.0
2598. Summary of remaining write-ins for Line 25 from overflow page.....	.0	.0	.0	.0
2599. Totals (Line 2501 thru 2503 plus 2598)(Line 25 above)	12,029	1,901,687	0	1,913,716

(a) Includes management fees of \$1,061,087 to affiliates and \$to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. Government bonds	(a) 16,314 19,834
1.1	Bonds exempt from U.S. tax	(a)
1.2	Other bonds (unaffiliated)	(a)
1.3	Bonds of affiliates	(a)
2.1	Preferred stocks (unaffiliated)	(b)
2.11	Preferred stocks of affiliates	(b)
2.2	Common stocks (unaffiliated)
2.21	Common stocks of affiliates
3.	Mortgage loans	(c)
4.	Real estate	(d)
5.	Contract loans
6.	Cash/short-term investments	(e) 53,613 58,990
7.	Derivative instruments	(f)
8.	Other invested assets
9.	Aggregate write-ins for investment income 0 3
10.	Total gross investment income	69,927	78,827
11.	Investment expenses		(g)
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g)
13.	Interest expense		(h)
14.	Depreciation on real estate and other invested assets		(i)
15.	Aggregate write-ins for deductions from investment income 0
16.	Total (Lines 11 through 15) 0
17.	Net Investment Income - (Line 10 minus Line 16)		78,827
DETAILS OF WRITE-INS			
0901.	Bond accrual adjustment 3
0902.
0903.
0998.	Summary of remaining write-ins for Line 9 from overflow page 0 0
0999.	Totals (Lines 0901 through 0903 plus 0998) (Line 9, above)	0	3
1501.
1502.
1503.
1598.	Summary of remaining write-ins for Line 15 from overflow page 0
1599.	Total (Lines 1501 through 1503 plus 1598) (Line 15, above)		0

(a) Includes \$3 accrual of discount less \$42 amortization of premium and less \$paid for accrued interest on purchases.
(b) Includes \$accrual of discount less \$amortization of premium and less \$paid for accrued dividends on purchases.
(c) Includes \$accrual of discount less \$amortization of premium and less \$paid for accrued interest on purchases.
(d) Includes \$for company's occupancy of its own buildings; and excludes \$interest on encumbrances.
(e) Includes \$accrual of discount less \$amortization of premium and less \$paid for accrued interest on purchases.
(f) Includes \$accrual of discount less \$amortization of premium.
(g) Includes \$investment expenses and \$investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
(h) Includes \$interest on surplus notes and \$interest on capital notes.
(i) Includes \$depreciation on real estate and \$depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4	5
		Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Increases (Decreases) by Adjustment	Net Gain (Loss) from Change in Difference Between Basis Book/ Adjusted Carrying and Admitted Values	Total
1.	U.S. Government bonds91			91
1.1	Bonds exempt from U.S. tax0
1.2	Other bonds (unaffiliated)0
1.3	Bonds of affiliates0
2.1	Preferred stocks (unaffiliated)0
2.11	Preferred stocks of affiliates0
2.2	Common stocks (unaffiliated)0
2.21	Common stocks of affiliates0
3.	Mortgage loans0
4.	Real estate0
5.	Contract loans0
6.	Cash/Short-term investments0
7.	Derivative instruments0
8.	Other invested assets0
9.	Aggregate write-ins for capital gains (losses)00000
10.	Total capital gains (losses)	91	0	0	0	91
DETAILS OF WRITE-INS						
0901.					
0902.					
0903.					
0998.	Summary of remaining write-ins for Line 9 from overflow page00000
0999.	Totals (Lines 0901 through 0903 plus 0998) (Line 9, above)	0	0	0	0	0

EXHIBIT 1 - ANALYSIS OF NONADMITTED ASSETS AND RELATED ITEMS

	1 End of Current Year	2 End of Prior Year	3 Changes for Year (Increase) or Decrease
1. Summary of Items Page 2, Lines 12 to 20, Column 2	15,096	4,438	(10,658)
2. Other Non-Admitted Assets:			
2.1 Bills receivable.....		0	0
2.2 Leasehold improvements.....		0	0
2.3 Cash advanced to or in hands of officers and agents.....		0	0
2.4 Loans on personal security, endorsed or not.....		0	0
2.5 Commuted commissions.....		0	0
3. Total (Lines 2.1 to 2.5)	0	0	0
4. Aggregate write-ins for other assets.....	0	0	0
5. Total (Line 1 plus Lines 3 and Line 4)	15,096	4,438	(10,658)
0401.			
0402.			
0403.			
0498. Summary of remaining write-ins for Line 4 from overflow page	0	0	0
0499. Totals (Lines 0401 thru 0403 plus 0498) (Line 4 above)	0	0	0

EXHIBIT 2 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health Maintenance Organizations.....	19,052	26,211	25,724	26,029	26,195	311,820
2. Provider Service Organizations.....	.0					
3. Preferred Provider Organizations.....	.0					
4. Point of Service.....	.0					
5. Indemnity Only.....	.0					
6. Aggregate write-ins for other lines of business	0	0	0	0	0	0
7. Total	19,052	26,211	25,724	26,029	26,195	311,820
DETAILS OF WRITE-INS						
0601.						
0602.						
0603.						
0698. Summary of remaining write-ins for Line 6 from overflow page0	.0	.0	.0	.0	.0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	0	0	0	0	0	0

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

- A) The 2003 Annual Statement has been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual, and the preparation of the financial statements are in conformity with the Annual Statement Instructions.
- B) The estimates used in the preparation of the financial statements conformed to the Annual Statement Instructions and Accounting Practices and Procedures manual.
- C) The company has settled all hospital inpatient claims with the State of Michigan that were the result of a shared risk arrangement that ended in May of 2001. Additionally, reinsurance premiums and experience refunds were netted against premium revenue and pharmaceutical rebates and psychotropic drug reimbursements were netted against pharmacy expenses. Finally, short-term investments with maturity of twelve months or less at the time of purchase are being reported as cash equivalents.

Note 2 - Accounting Changes and Corrections of Errors

The Company is following the same policies followed in 2001 when the risk-sharing program with the state ended in May of 2001. Hospital inpatient claims are accounted for as a receivable and a corresponding claims payable for all claims not paid at the end of 2003. Reinsurance premiums are being netted against premium revenue. The psychotropic drug reimbursements of \$2,473,044 are being netted against pharmacy expenses.

Note 3 - Business Combinations and Goodwill

NONE

Note 4 - Discontinued Operations

NONE

Note 5 - Investments

NONE

Note 6 - Joint Ventures, Partnerships, and Limited Liability Companies

NONE

Note 7 – Investment Income

As of December 31, 2003, UPHP has \$78,827 of admitted investment income due and accrued and included in the statement of revenue and expenses. The sources of this income are included in the Exhibit of Net Investment Income.

Note 8 - Derivative Instruments

NONE

Note 9 - Income Taxes

Tax liabilities are reflected in the reported company earnings. The company had a tax liability of \$527,020 as of the year-end.

Note 10 - Information Concerning Parent, Subsidiaries, and Affiliates

- A) The company is a wholly owned subsidiary of the Upper Peninsula Managed Care, LLC that is a PHO. The Ultimate Controlling Persons, (UCP) for the organization are the Upper Peninsula Physicians, LLC (125 Physicians), and the Upper Peninsula Physicians, LLC (14 Hospitals). Each UCP appoints 6 members to a company’s board of directors.
- B) NONE
- C) \$1,061,087 is the total amount of the management fee. All transactions are covered under Note 10-Part F.
- D) NONE
- E) NONE
- F) The company has a Management Service Agreement with its parent. This agreement spells out all administrative services provided by the company and includes methods of reimbursement for services performed.
- G) All 100 Shares of voting common stock are owned by the parent company. All 10,000 shares of common non-voting stock are owned by Upper Peninsula Network, LLC, one of the ultimate controlling persons.
- H) NONE
- I) NONE
- J) NONE

Note 11 - Debt

The company has a \$1,000,000 long-term line of credit (LOC) with Wells Fargo Bank. This LOC has a variable rate of .25% over prime rate. The company has a \$0.00 balance outstanding as of December 31, 2003.

NOTES TO FINANCIAL STATEMENTS

Note 12 - Retirement Plans, Deferred Compensation, Postemployment Benefits & Compensated Absences, and other Postretirement Benefit Plans

NONE

Note 13 - Capital, Surplus, Shareholder’s Dividend Restrictions and Quasi-Reorganizations

The company raised \$500,000 in 2003 from a capital call that helped the company improve its RBC percentage from 2002. All capital was contributed by the company’s affiliated hospitals. This brings our capital and surplus to \$4,307,270. The company has no plans in the near future to pay dividends. The company is concentrating on increasing its capital surplus and RBC.

Note 14 - Contingencies

NONE

Note 15 - Leases

NONE

Note 16 - Information about Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk

NONE

Note 17 - Sale, Transfer, and Servicing of Financial Assets and Extinguishments of Liabilities

NONE

Note 18 - Gain or Loss to the Reporting Entity from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans

NONE

Note 19 - Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

NONE

Note 20 - Other Items

NONE

Note 21 - Events Subsequent

In January 2003 and as a condition for the approval and implementation of the rural exception waiver, the company’s Board of Directors guaranteed OFIS that the company’s RBC would be at or above the 200% level by year-end 2003. The board agreed to contribute the capital necessary to bring the RBC level above 200%. In December 2003, the company’s owners contributed \$500,000 to ensure the guarantee was met.

The company changed Pharmacy Benefits Managers (PBM) effective January 1, 2004. This change is expected to decrease the company’s pharmacy cost by 6% through pricing alone. The company has also implemented several formulary changes that are expected to reduce pharmacy costs even further. The amount depends on the timing and the appropriateness of therapeutic interchanges, but they could be significant.

The company is reorganizing to become a not for profit entity. The reorganization plan was approved the Commissioner, Michigan Office of Financial and Insurance Services (OFIS) in February 2004. This process consists of eliminating the U.P. Network, LLC and U.P. Physicians, LLC and dissolving the affiliation with the parent company by recalling the 100 shares of voting common stock. After the reorganization, the company will be a Medicaid only HMO owned by 14 not for profit community hospitals. The hospital ownership ranges from less than 1% to 57.7% ownership with two hospitals owning more than 10% of the company. The IRS has been petitioned for not for profit status. This status would be a major factor in improving the financial strength of the company.

Note 22 - Reinsurance

The company did not submit any reinsurance claims for 2003, however, experienced refunds totaled \$59,916 in 2003 and were netted against premium revenue the financial statements.

Note 23 - Retrospectively Rated Contracts & Contracts Subject to Redetermination

The only business the company has is the Michigan managed Medicaid and MI Child contracts. The company has no retroactive features in its contracts.

Note 24 - Change in Incurred Claims and Claim Adjustment Expense

NONE

NOTES TO FINANCIAL STATEMENTS

Note 25 - Intercompany Pooling Arrangements

NONE

Note 26 - Structured Settlement

NONE

Note 27 - Health Care Receivables

The company’s health care receivables at year-end totaled \$2,001,935 and consisted of psychotropic drug reimbursements from the State Medicaid program carve-out (916,564) and Maternity case rates (1,085,371) for children born to mothers in plan.

Note 28 - Participating Policies

NONE

Note 29 - Premium Deficiency Reserves

NONE

Note 30 - Anticipated Salvage and Subrogation

The company signed a contract with the First Recovery Group of Southfield, Michigan in September 2001. This contract enables The First Recovery Group to investigate, identify, and collect subrogation recoveries for the Upper Peninsula Health Plan, Inc. In 2003 First Recovery Group recovered \$19,085 for the company.

SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement	
	1 Amount	2 Percentage	3 Amount	4 Percentage
1. Bonds:				
1.1 U.S. Treasury securities	45,257	.0.473	45,257	.0.473
1.2 U.S. government agency and corporate obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies0.000		.0.000
1.22 Issued by U.S. government sponsored agencies0.000		.0.000
1.3 Foreign government (including Canada, excluding mortgaged-backed securities)0.000		.0.000
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations0.000		.0.000
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations0.000		.0.000
1.43 Revenue and assessment obligations0.000		.0.000
1.44 Industrial development and similar obligations0.000		.0.000
1.5 Mortgage-backed securities (includes residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Guaranteed by GNMA0.000		.0.000
1.512 Issued by FNMA and FHLMC0.000		.0.000
1.513 Privately issued0.000		.0.000
1.52 CMOs and REMICs:				
1.521 Issued by FNMA and FHLMC0.000		.0.000
1.522 Privately issued and collateralized by MBS issued or guaranteed by GNMA, FNMA, or FHLMC0.000		.0.000
1.523 All other privately issued0.000		.0.000
2. Other debt and other fixed income securities (excluding short-term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans rated by the SVO)0.000		.0.000
2.2 Unaffiliated foreign securities0.000		.0.000
2.3 Affiliated securities0.000		.0.000
3. Equity interests:				
3.1 Investments in mutual funds0.000		.0.000
3.2 Preferred stocks:				
3.21 Affiliated0.000		.0.000
3.22 Unaffiliated0.000		.0.000
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated0.000		.0.000
3.32 Unaffiliated0.000		.0.000
3.4 Other equity securities:				
3.41 Affiliated0.000		.0.000
3.42 Unaffiliated0.000		.0.000
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated0.000		.0.000
3.52 Unaffiliated0.000		.0.000
4. Mortgage loans:				
4.1 Construction and land development0.000		.0.000
4.2 Agricultural0.000		.0.000
4.3 Single family residential properties0.000		.0.000
4.4 Multifamily residential properties0.000		.0.000
4.5 Commercial loans0.000		.0.000
4.6 Mezzanine real estate loans0.000		.0.000
5. Real estate investments:				
5.1 Property occupied by the company0.000	.0	.0.000
5.2 Property held for the production of income (includes \$ of property acquired in satisfaction of debt)0.000	.0	.0.000
5.3 Property held for sale (\$ including property acquired in satisfaction of debt)0.000	.0	.0.000
6. Policy loans0.000		.0.000
7. Receivables for securities0.000	.0	.0.000
8. Cash and short-term investments	9,531,955	99.527	9,531,955	99.527
9. Other invested assets0.000		.0.000
10. Total invested assets	9,577,212	100.000	9,577,212	100.000

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?

Yes [☐] No [☒]
- 1.2

If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes [☐] No [☐] NA [☒]
- 1.3

If yes, State Regulating?.....

Michigan
- 2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes [☐] No [☒]
- 2.2

If yes, date of change:

If not previously filed, furnish herewith a certified copy of the instrument as amended.
- 3.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

06/30/2001
- 3.2

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

06/30/2001
- 3.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

08/19/2002
- 3.4

By what department or departments? Office of Financial and Insurance Services
- 4.1

During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.11 sales of new business? Yes [☐] No [☒]

4.12 renewals? Yes [☐] No [☒]
- 4.2

During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.21 sales of new business? Yes [☐] No [☒]

4.22 renewals? Yes [☐] No [☒]
- 5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes [☐] No [☒]
- 5.2

If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile
.....
.....
.....
.....

- 6.1

Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action, either formal or informal, if a confidentiality clause is part of the agreement.)

Yes [☐] No [☒]
- 6.2

If yes, give full information
- 7.1

Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes [☐] No [☒]
- 7.2

If yes,

7.21 State the percentage of foreign control;

7.22 State the nationality(s) of the foreign person(s) or entity(s) or if the entity is a mutual or reciprocal, the nationality of its manager or attorney in fact; and identify the type of entity(s) (e.g., individual, corporation or government, manager or attorney in fact).

1 Nationality	2 Type of Entity
.....
.....
.....
.....

GENERAL INTERROGATORIES

(continued)

- 8.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes [] No [X]
- 8.2

If response to 8.1 is yes, please identify the name of the bank holding company.

- 8.3

Is the company affiliated with one or more banks, thrifts or securities firms?.....

Yes [] No [X]
- 8.4

If response to 8.3 is yes, please provide the names and location (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC) and identify the affiliate's primary federal regulator.]

1	2	3	4	5	6	7
Affiliate Name	Location (City, State)	FRB	OCC	OTS	FDIC	SEC

9.

What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?

Makela, Toutant, Hill & Nardi, P.C.
201 W. Bluff Street
Marquette, MI 49855
10.

What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with a(n) actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?

Larry Pfannerstill, Actuary Consultant
Milliman USA
Brookfield, WI 53005
11.

FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 11.1

What changes have been made during the year in the United States Manager or the United States Trustees of the reporting entity?
- 11.2

Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?

Yes [] No []
- 11.3

Have there been any changes made to any of the trust indentures during the year?

Yes [] No []
- 11.4

If answer to (11.3) is yes, has the domiciliary or entry state approved the changes?

Yes [] No [] NA []

BOARD OF DIRECTORS

12.

Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof?

Yes [X] No []
13.

Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof?

Yes [X] No []
14.

Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees which is in or likely to conflict with the official duties of such person?.

Yes [X] No []

FINANCIAL

- 15.1

Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

15.11 To directors or other officers .. \$0

15.12 To stockholders not officers ... \$0

15.13 Trustees, supreme or grand (Fraternal only) \$0
- 15.2

Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):

15.21 To directors or other officers ... \$0

15.22 To stockholders not officers \$0

15.23 Trustees, supreme or grand (Fraternal only) \$0
- 16.1

Were any of the assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in this statement?

Yes [] No [X]
- 16.2

If yes, state the amount thereof at December 31 of the current year:

16.21 Rented from others \$

16.22 Borrowed from others \$

16.23 Leased from others \$

16.24 Other \$
- Disclose in Notes to Financial the nature of each obligation.
- 17.1

Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments?

Yes [] No [X]
- 17.2

If answer is yes,

17.21 Amount paid as losses or risk adjustment \$

17.22 Amount paid as expenses \$

17.23 Other amounts paid \$

GENERAL INTERROGATORIES
(continued)
INVESTMENT

18. List the following capital stock information for the reporting entity:

Class	1 Number of Shares Authorized	2 Number of Shares Outstanding	3 Par Value Per Share	4 Redemption Price if Callable	5 Is Dividend Rate Limited?		6 Are Dividends Cumulative?	
					Yes	No	Yes	No
Preferred					[]	[]	[]	[]
Common	60,000	10,100	1.000	XXX	XXX	XXX	XXX	XXX

19.1. Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date, except as shown by Schedule E - Part 3 - Special Deposits? Yes [X] No []

19.2 If no, give full and complete information relating thereto:

20.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, except as shown on the Schedule E - Part 3 - Special Deposits; or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 16.1) Yes [] No [X]

20.2 If yes, state the amount thereof at December 31 of the current year:

20.21

Loaned to others

\$.....

20.22

Subject to repurchase agreements

\$.....

20.23

Subject to reverse repurchase agreements

\$.....

20.24

Subject to dollar repurchase agreements

\$.....

20.25

Subject to reverse dollar repurchase agreements

\$.....

20.26

Pledged as collateral

\$.....

20.27

Placed under option agreements

\$.....

20.28

Letter stock or other securities restricted as to sale ...

\$.....

20.29

Other

\$.....

20.3 For each category above, if any of these assets are held by other, identify by whom held:

20.31

20.32

20.33

20.34

20.35

20.36

20.37

20.38

20.39

For categories (20.21) and (20.23) above, and for any securities that were made available for use by another person during the period covered by this statement, attach a schedule as shown in the instructions to the annual statement.

20.4 For category (20.28) provide the following:

1 Nature of Restriction	2 Description	3 Amount
.....
.....
.....
.....

21.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [] No [X]

21.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No [] NA [X]
If no, attach a description with this statement.

22.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [] No [X]

22.2 If yes, state the amount thereof at December 31 of the current year. \$.....

GENERAL INTERROGATORIES
(continued)
INVESTMENT

23. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity’s offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Part 1 – General, Section IV.H-Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

Yes [X] No []

23.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

<div>1</div> <div>Name of Custodian(s)</div>	<div>2</div> <div>Custodian's Address</div>
Wells Fargo.....	101 W. Washington St., Marquette, MI 49855.....

23.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

<div>1</div> <div>Name(s)</div>	<div>2</div> <div>Location(s)</div>	<div>2</div> <div>Complete Explanation(s)</div>
.....
.....
.....

23.03 Have there been any changes, including name changes, in the custodian(s) identified in 23.01 during the current year?

Yes [] No [X]

23.04 If yes, give full and complete information relating thereto:

<div>1</div> <div>Old Custodian</div>	<div>2</div> <div>New Custodian</div>	<div>3</div> <div>Date of Change</div>	<div>4</div> <div>Reason</div>
.....
.....

23.05 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

<div>1</div> <div>Central Registration Depository Number(s)</div>	<div>2</div> <div>Name</div>	<div>2</div> <div>Address</div>
.....
.....

24.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])?.....

Yes [] No [X]

24.2 If yes, complete the following schedule:

<div>1</div> <div>CUSIP #</div>	<div>2</div> <div>Name of Mutual Fund</div>	<div>3</div> <div>Book/Adjusted Carrying Value</div>
.....
9999999. TOTAL		0

24.3 For each mutual fund listed in the table above, complete the following schedule:

<div>1</div> <div>Name of Mutual Fund (from above table)</div>	<div>2</div> <div>Name of Significant Holding Of the Mutual Fund</div>	<div>3</div> <div>Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding</div>	<div>4</div> <div>Date of Valuation</div>
.....
.....

GENERAL INTERROGATORIES
(continued)
OTHER

- 25.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any?.....\$0
- 25.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.

1 Name	2 Amount Paid
.....
.....

- 26.1 Amount of payments for legal expenses, if any?.....\$0
- 26.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
.....
.....

- 27.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any?.....\$0
- 27.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
.....
.....

GENERAL INTERROGATORIES

(continued)

PART 2 - HEALTH INTERROGATORIES

1.1

Does the reporting entity have any direct Medicare Supplement Insurance in force?

Yes [] No [X]

1.2

If yes, indicate premium earned on U. S. business only

\$ 0

1.3

What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?

\$ 0

1.31

Reason for excluding

1.4

Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.

\$ 0

1.5

Indicate total incurred claims on all Medicare Supplement Insurance.

\$ 0

1.6

Individual policies:

Most current three years:

1.61

Total premium earned

\$ 0

1.62

Total incurred claims

\$ 0

1.63

Number of covered lives

\$ 0

All years prior to most current three years:

1.64

Total premium earned

\$ 0

1.65

Total incurred claims

\$ 0

1.66

Number of covered lives

\$ 0

1.7

Group policies:

Most current three years:

1.71

Total premium earned

\$ 0

1.72

Total incurred claims

\$ 0

1.73

Number of covered lives

\$ 0

All years prior to most current three years:

1.74

Total premium earned

\$ 0

1.75

Total incurred claims

\$ 0

1.76

Number of covered lives

\$ 0

2.

Health Test:

1

Current Year

2.1

Premium Numerator

\$ 46,214,978

2.2

Premium Denominator

\$ 46,490,976

2.3

Premium Ratio (2.1/2.2)

0.994

2.4

Reserve Numerator

\$ 5,900,000

2.5

Reserve Denominator

\$ 5,900,000

2.6

Reserve Ratio (2.4/2.5)

1.000

2

Prior Year

2.1

Premium Numerator

\$ 0

2.2

Premium Denominator

\$ 0

2.3

Premium Ratio (2.1/2.2)

0.000

2.4

Reserve Numerator

\$ 0

2.5

Reserve Denominator

\$ 0

2.6

Reserve Ratio (2.4/2.5)

0.000

3.1

Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits?

Yes [] No [X]

3.2

If yes, give particulars:

4.1

Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and departments been filed with the appropriate regulatory agency?

Yes [X] No []

4.2

If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered?

Yes [] No [X]

5.1

Does the reporting entity have stop-loss reinsurance?

Yes [X] No []

5.2

If no, explain:

5.3

Maximum retained risk (see instructions)

5.31

Comprehensive Medical

\$ 100,000

5.32

Medical Only

\$

5.33

Medicare Supplement

\$

5.34

Dental

\$

5.35

Other Limited Benefit Plan

\$

5.36

Other

\$

6.

Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:

7.1

Does the reporting entity set up its claim liability for provider services on a service data base?

Yes [X] No []

7.2

If no, give details:

8.

Provide the following Information regarding participating providers:

8.1

Number of providers at start of reporting year

702

8.2

Number of providers at end of reporting year

749

9.1

Does the reporting entity have business subject to premium rate guarantees?

Yes [] No [X]

9.2

If yes, direct premium earned:

9.21

Business with rate guarantees between 15-36 months

9.22

Business with rate guarantees over 36 months

32

GENERAL INTERROGATORIES
(continued)

PART 2 - HEALTH INTERROGATORIES

- 10.1 Does the reporting entity have Incentive Pool, Withhold and Bonus/ Arrangements in its provider contract?

Yes ☒ No ☐
- 10.2 If yes:

10.21 Maximum amount payable bonuses

\$.....134,083

10.22 Amount actually paid for year bonuses

\$.....0

10.23 Maximum amount payable withholds

\$.....0

10.24 Amount actually paid for year withholds

\$.....0
- 11.1 Is the reporting entity organized as:

11.12 A Medical Group/Staff Model,

Yes ☐ No ☒

11.13 An Individual Practice Association (IPA), or,

Yes ☒ No ☐

11.14 A Mixed Model (combination of above) ?.....

Yes ☐ No ☒
- 11.2 Is the reporting entity subject to Minimum Net Worth Requirements?

Yes ☒ No ☐
- 11.3

.....Michigan

If yes, show the name of the state requiring such net worth.
- 11.4 If yes, show the amount required.

\$.....4,190,748
- 11.5 Is this amount included as part of a contingency reserve in stockholders equity?

Yes ☒ No ☐
- 11.6 If the amount is calculated, show the calculation.
12. List service areas in which reporting entity is licensed to operate:

1 Name of Service Area
Region 8; which includes all counties in Michigan's Upper Peninsula

FIVE-YEAR HISTORICAL DATA

	1 2003	2 2002	3 2001	4 2000	5 1999
BALANCE SHEET ITEMS (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 26)	11,684,785	8,583,216	8,249,635	6,300,125	3,879,346
2. Total liabilities (Page 3, Line 22)	7,377,515	5,575,929	6,172,804	6,165,203	3,712,594
3. Statutory surplus		0	0	0	0
4. Total capital and surplus (Page 3, Line 30)	4,307,270	3,007,287	2,076,831	134,922	166,752
INCOME STATEMENT ITEMS (Page 4)					
5. Total revenues (Line 8)	46,490,976	32,420,752	30,935,527	29,959,827	27,937,117
6. Total medical and hospital expenses (Line 18)	39,608,278	29,644,306	26,424,098	26,791,413	25,308,849
7. Total administrative expenses (Line 21)	3,209,934	1,138,081	3,194,368	2,999,537	2,940,632
8. Net underwriting gain (loss) (Line 24)	1,262,994	6,276	1,317,061	0	0
9. Net investment gain (loss) (Line 27)	78,827	97,234	163,648	0	0
10. Total other income (Lines 28 plus 29)	0	0	0	0	0
11. Net income (loss) (Line 32)	814,801	25,780	1,480,709	168,877	(312,364)
RISK - BASED CAPITAL ANALYSIS					
12. Total adjusted capital	4,307,270	3,007,287	2,076,831	134,922	0
13. Authorized control level risk-based capital	2,095,374	1,730,498	1,566,051	1,519,019	0
ENROLLMENT (Exhibit 2)					
14. Total members at end of period (Column 5, Line 7)	26,195	19,052	18,245	16,733	19,224
15. Total member months (Column 6, Line 7)	311,820	230,768	211,433	222,949	217,430
OPERATING PERCENTAGE (Page 4) (Item divided by Page 4, sum of Lines 2, 3 and 5)					
16. Premiums earned (Lines 2 plus 3)	100.0	100.0	100.0	100.0	100.0
17. Total hospital and medical (Line 18)	85.2	91.4	85.4	89.7	90.6
18. Total underwriting deductions (Line 23)	97.3	100.0	100.0	100.0	100.0
19. Total underwriting gain (loss) (Line 24)	2.7	0.0	0.0	0.0	0.0
UNPAID CLAIMS ANALYSIS (U&I Exhibit, Part 2B)					
20. Total claims incurred for prior years (Line 12, Col. 5)	3,974,698	5,892,415	4,252,287	1,161,287	0
21. Estimated liability of unpaid claims – [prior year (Line 12, Col. 6)]	5,429,000	6,028,022	5,579,011	3,051,469	1,156,302

FIVE-YEAR HISTORICAL DATA (Continued)

	1 2003	2 2002	3 2001	4 2000	5 1999
INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES					
22. Affiliated bonds (Sch. D Summary, Line 25, Col. 1)	0	0	0	0	0
23. Affiliated preferred stocks (Sch. D Summary, Line 39, Col. 1)	0	0	0	0	0
24. Affiliated common stocks (Sch. D Summary, Line 53, Col. 2)	0	0	0	0	0
25. Affiliated short-term investments (subtotal included in Sch. DA, Part 2, Col. 5, Line 11)	0	0	0	0	0
26. Affiliated mortgage loans on real estate		0	0	0	0
27. All other affiliated		0	0	0	0
28. Total of above Lines 22 to 27	0	0	0	0	0

SCHEDULE D - SUMMARY BY COUNTRY

Long-Term Bonds and Stocks OWNED December 31 of Current Year					
Description		1 Book/Adjusted Carrying Value	2 Fair Value (a)	3 Actual Cost	4 Par Value of Bonds
BONDS Governments (Including all obligations guaranteed by governments)	1. United States	45,257	47,985	45,551	45,000
	2. Canada	0	0	0	0
	3. Other Countries	0	0	0	0
	4. Totals	45,257	47,985	45,551	45,000
States, Territories and Possessions (Direct and guaranteed)	5. United States	0	0	0	0
	6. Canada	0	0	0	0
	7. Other Countries	0	0	0	0
	8. Totals	0	0	0	0
Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	9. United States	0	0	0	0
	10. Canada	0	0	0	0
	11. Other Countries	0	0	0	0
	12. Totals	0	0	0	0
Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	13. United States	0	0	0	0
	14. Canada	0	0	0	0
	15. Other Countries	0	0	0	0
	16. Totals	0	0	0	0
Public Utilities (unaffiliated)	17. United States	0	0	0	0
	18. Canada	0	0	0	0
	19. Other Countries	0	0	0	0
	20. Totals	0	0	0	0
Industrial and Miscellaneous and Credit Tenant Loans (unaffiliated)	21. United States	0	0	0	0
	22. Canada	0	0	0	0
	23. Other Countries	0	0	0	0
	24. Totals	0	0	0	0
Parent, Subsidiaries and Affiliates	25. Totals	0	0	0	0
	26. Total Bonds	45,257	47,985	45,551	45,000
PREFERRED STOCKS Public Utilities (unaffiliated)	27. United States	0	0	0	
	28. Canada	0	0	0	
	29. Other Countries	0	0	0	
	30. Totals	0	0	0	
Banks, Trust and Insurance Companies (unaffiliated)	31. United States	0	0	0	
	32. Canada	0	0	0	
	33. Other Countries	0	0	0	
	34. Totals	0	0	0	
Industrial and Miscellaneous (unaffiliated)	35. United States	0	0	0	
	36. Canada	0	0	0	
	37. Other Countries	0	0	0	
	38. Totals	0	0	0	
Parent, Subsidiaries and Affiliates	39. Totals	0	0	0	
	40. Total Preferred Stocks	0	0	0	
COMMON STOCKS Public Utilities (unaffiliated)	41. United States	0	0	0	
	42. Canada	0	0	0	
	43. Other Countries	0	0	0	
	44. Totals	0	0	0	
Banks, Trust and Insurance Companies (unaffiliated)	45. United States	0	0	0	
	46. Canada	0	0	0	
	47. Other Countries	0	0	0	
	48. Totals	0	0	0	
Industrial and Miscellaneous (unaffiliated)	49. United States	0	0	0	
	50. Canada	0	0	0	
	51. Other Countries	0	0	0	
	52. Totals	0	0	0	
Parent, Subsidiaries and Affiliates	53. Totals	0	0	0	
	54. Total Common Stocks	0	0	0	
	55. Total Stocks	0	0	0	
	56. Total Bonds and Stocks	45,257	47,985	45,551	

(a) The aggregate value of bonds which are valued at other than actual fair value is \$

SCHEDULE D - VERIFICATION BETWEEN YEARS

1. Book/adjusted carrying value of bonds and stocks, prior year	514,447	6. Foreign Exchange Adjustment:	
2. Cost of bonds and stocks acquired, Column 6, Part 3	0	6.1 Column 17, Part 1	0
3. Increase (decrease) by adjustment:		6.2 Column 13, Part 2, Sec. 1	0
3.1 Column 16, Part 1	719	6.3 Column 11, Part 2, Sec. 2	0
3.2 Column 12, Part 2, Sec. 1	0	6.4 Column 11, Part 4	0
3.3 Column 10, Part 2, Sec. 2	0		
3.4 Column 10, Part 4	0		
4. Total gain (loss), Col. 14, Part 4	91	7. Book/adjusted carrying value at end of current period	45,257
5. Deduct consideration for bonds and stocks disposed of Column 6, Part 4	470,000	8. Total valuation allowance	
		9. Subtotal (Lines 7 plus 8)	45,257
		10. Total nonadmitted amounts	
		11. Statement value of bonds and stocks, current period	45,257

SCHEDULE T PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

		1	2	Direct Business Only					
				3	4	5	6	7	8
States, Etc.		Guaranty Fund (Yes or No)	Is Insurer Licensed? (Yes or No)	Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life & Annuity Premiums & Deposit Type Contract Funds	Property/ Casualty Premiums
1.	Alabama	AL							
2.	Alaska	AK							
3.	Arizona	AZ							
4.	Arkansas	AR							
5.	California	CA							
6.	Colorado	CO							
7.	Connecticut	CT							
8.	Delaware	DE							
9.	District of Columbia	DC							
10.	Florida	FL							
11.	Georgia	GA							
12.	Hawaii	HI							
13.	Idaho	ID							
14.	Illinois	IL							
15.	Indiana	IN							
16.	Iowa	IA							
17.	Kansas	KS							
18.	Kentucky	KY							
19.	Louisiana	LA							
20.	Maine	ME							
21.	Maryland	MD							
22.	Massachusetts	MA							
23.	Michigan	MI	No	Yes	278,995	46,214,978			
24.	Minnesota	MN							
25.	Mississippi	MS							
26.	Missouri	MO							
27.	Montana	MT							
28.	Nebraska	NE							
29.	Nevada	NV							
30.	New Hampshire	NH							
31.	New Jersey	NJ							
32.	New Mexico	NM							
33.	New York	NY							
34.	North Carolina	NC							
35.	North Dakota	ND							
36.	Ohio	OH							
37.	Oklahoma	OK							
38.	Oregon	OR							
39.	Pennsylvania	PA							
40.	Rhode Island	RI							
41.	South Carolina	SC							
42.	South Dakota	SD							
43.	Tennessee	TN							
44.	Texas	TX							
45.	Utah	UT							
46.	Vermont	VT							
47.	Virginia	VA							
48.	Washington	WA							
49.	West Virginia	WV							
50.	Wisconsin	WI							
51.	Wyoming	WY							
52.	American Samoa	AS							
53.	Guam	GU							
54.	Puerto Rico	PR							
55.	U.S. Virgin Islands	VI							
56.	Canada	CN							
57.	Aggregate other alien	OT	XXX	XXX	0	0	0	0	0
58.	Total (Direct Business)	XXX	(a) 1	278,995	0	46,214,978	0	0	0
DETAILS OF WRITE-INS									
5701.									
5702.									
5703.									
5798.	Summary of remaining write-ins for Line 57 from overflow page			0	0	0	0	0	0
5799.	Totals (Lines 5701 thru 5703 plus 5798) (Line 57 above)			0	0	0	0	0	0

Explanation of basis of allocation by states, premiums by state, etc.:
(a) Insert the number of yes responses except for Canada and Other Alien.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER AND HMO MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART